

**Montana Agriculture Development Council Meeting Minutes
April 6, 2011
Helena, Montana**

Members in attendance:

David Tyler, Chair, Belgrade
Ervin Schlemmer, Vice-Chair, Joliet
Ron de Yong, Director of Agriculture, Helena
Bill Koenig, Kalispell
Verges Aageson, Gildford
Patricia Quisno, Harlem

Members absent:

Dore Schwinden, Director of Commerce, Helena

Staff in attendance:

Cort Jensen, Chief Legal Counsel, Montana Department of Agriculture (*partial attendance*)
Collin Watters, Bureau Chief, Agriculture Marketing and Business Development (AMBD)
Lindra Davies, Marketing Technician

Montana Department of Agriculture staff were available to the Agriculture Development Council (Council) for information purposes.

David Tyler, Chair, called the meeting to order at 8:10 a.m. Wednesday, April 6, 2011.

Roll Call/Call for Proxies

- Proxy received from Dore Schwinden, Director of Montana Department of Commerce granting voting authority to Mark Bisom, Bureau Chief, International Trade and Relations Bureau, Montana Department of Commerce, who was present as Director Schwinden's representative.
- Proxy received from Ron de Yong, Director of Montana Department of Agriculture, in the event that he is called away from the meeting, granting voting authority to Mark Bisom, Bureau Chief, International Trade and Relations Bureau, Montana Department of Commerce, who was present as Director de Yong's representative.

Review of February 8 and 9, 2011 Minutes

Verges Aageson moved to accept the February 8 and 9, 2011 minutes. Ervin Schlemmer seconded the motion. The motion carried with no dissenting votes.

Review of September 29 and 30, 2010 Minutes

On page 2 in the Review of May 27, 2011 minutes section, Joel Clairmont recommended to amend the original carried motion to allow forgiveness of Lake County Community Development Center's loan for \$15,000 to include the words "and interest" in order to remain consistent with the recommended revisions made in the May 27, 2010 minutes.

On page 8, Joel recommended that the words “will tour” be replaced with “plans to tour” under the Updates section for Lolo Peak Winery, Inc. since, at this time, it is not certain if the interested party actually toured the facility on September 17, 2010.

On page 13, the minutes stated in a motion made by Ron de Yong that Trevino’s Tortilla’s was funded \$25,000 as a grant for supplies and materials, contingent upon a review of business operations by Collin Watters and Chad Lee.

Collin explained that he was in contact with Chris and Destyne Trevino of Trevino’s Tortilla’s shortly after the meeting and encouraged them to pursue business assistance for their operation from a local consultant in Billings. He reported that Destyne has done so since the Council’s September 29 and 30, 2011 meeting.

No further action was needed.

Financial Review

Collin Watters, AMBD Bureau Chief, gave an overview of the financial information to date for this fiscal year. The Council reviewed budget spreadsheets handed out by Collin and discussed the budget requests for the current meeting. Collin also provided a financial summary of the Mini-Grant Program, Trade Show Assistance Program, and personnel expenditures.

Application Presentations

- **“Neal Ranch Feedlot”**
Lyle Neal, Neal Ranch (via teleconference)
- **“Lodge Grass High School Equine Science”**
Ty Neal, Lodge Grass High School Equine Program (via teleconference)
- **“Alpaca Manure Composting Business”**
James and Sarah Budd, Alpacas of Montana, Inc.
- **“Montana Specialty Mills, LLC Rail Design and Construction and Phase 2 Engineering for Plant Expansion/Relocation”**
Steve Chambers, Montana Specialty Mills, LLC

10:30 a.m. Break

Application Presentations

- **“1. Creating a Profit Center for MHMA Packing Plant Waste 2. Development of a Plan to Ensure a High Quality Beef Supply for the MHMA Plant”**
Bruce Samson, Montana Hog Marketing Association
Bruce Knudsen, CPA
- **“WayFare Business Expansion 2011”**
Jessica Watson, WayFare, Inc.
- **“Non-Traditional Micro-Winery Producing Fruit Wines From the Flathead and Home Wine/Juice Making Classes and Mason Bee Management”**
Larry Robertson, Flathead Lake Arrogant Bastard Micro-Winery

12:05 p.m. Lunch

Application Presentations

- **“Pelleting Expansion of XL Feeds, LLC”**
Warren G. McConkey, XL Feeds, LLC
- **“Montana Wagyu Cattle Company Retail Expansion”**
Richard T. Woienski, Montana Wagyu Cattle Co., LLC
- **“Expansion of Vineyard, Parking Lot and Exterior Tasting Room for Ten Spoon Vineyard and Winery”**
Connie Poten, Ten Spoon Vineyard and Winery
- **“Start Up and Development of Wustner Brothers Honey Production and Specialty Product Sales”**
Jacob Wustner, Wustner Brothers Honey

Paul Elker of Double M Beef was scheduled to present his proposal titled “Beef Market Evaluation and Development: Market Research, Planning, Test Marketing and Market Development for Direct Marketing of Double M Beef” but was not available to do so.

3:05 p.m. Break

Application Presentations

- **“Engineering Work for the Great Falls Agri-Tech Park”**
Shaun Tatarka, Great Falls Development Authority
- **“Business Expansion of Safflower Technologies International Storage, Handling, Processing Capacities and Marketing Opportunities”**
Michael Bergman, Safflower Technologies International

Application Review

“Montana Specialty Mills, LLC Rail Design and Construction and Phase 2 Engineering for Plant Expansion/Relocation”
Steve Chambers, Montana Specialty Mills, LLC, Ogden, UT

Ron de Yong moved to fully fund the project proposal from Montana Specialty Mills, LLC as a grant in the amount of \$49,450.00 contingent on a rail access agreement with Malteurop. Verges Aageson seconded the motion. The motion carried with no dissenting votes.

“1. Creating a Profit Center for the MHMA Packing Plant Waste. 2. Development of a Plan to Ensure a High Quality Beef Supply for the MHMA Plant”
Bruce Samson, Montana Hog Marketing Association, Three Forks, MT

Bill Koenig moved to fully fund the project proposal from Montana Hog Marketing Association as a grant in the amount of \$50,000.00. Mark Bisom seconded the motion. The motion carried with no dissenting votes.

“Engineering Work for the Great Falls Agri-Tech Park”

Shaun Tatarka, Great Falls Development Authority, Great Falls, MT

Ervin Schlemmer moved to fully fund the project proposal from Great Falls Development Authority as a grant in the amount of \$50,000.00. Verges Aageson seconded the motion. The motion carried with no dissenting votes.

“WayFare Business Expansion 2011”

Jessica Watson, WayFare, Inc., Bozeman, MT

Patricia Quisno moved to fund Activity 1a of the project proposal from Wayfare, Inc. for a filler in the amount of \$59,000.00. Verges Aageson seconded the motion. The motion carried with one opposed.

Patricia was granted her request to reconsider her original motion to fund Activity 1a for a filler in the amount of \$59,000.00 of the project proposal submitted by Wayfare, Inc. due to the Agriculture Development Council’s ability to award Growth Through Agriculture Grant awards up to \$50,000.00

Patricia Quisno moved to fund Activity 1a of the project proposal from Wayfare, Inc. as a grant for the purchase of a filler in the amount of \$50,000.00. Verges Aageson seconded the motion. The motion carried with one opposed.

“Pelleting Expansion of XL Feeds, LLC”

Warren G. McConkey, XL Feeds, LLC, Kalispell, MT

Bill Koenig abstained from voting on this proposal.

Mark Bisom moved to fund the project proposal from XL Feeds, LLC as a loan in the amount of \$60,000.00 for the purchase of pelleting equipment. Terms of the loan include an interest rate of four percent, one year deferment of repayment and interest, and repayment to be scheduled over a period of four years. Ervin Schlemmer seconded the motion. The motion carried with no dissenting votes.

“Expansion of Vineyard, Parking Lot and Exterior Tasting Room for Ten Spoon Vineyard and Winery”

Connie Poten, Ten Spoon Vineyard and Winery, Missoula, MT

Mark Bisom moved to fund Activity 1b and c of the project proposal from Ten Spoon Vineyard and Winery as a grant in the amount of \$27,938.00 for the purchase of additional grapevines, trellis wire, and to assist with costs for irrigation installation. Patricia Quisno seconded the motion. The motion carried with one opposed vote.

“Business Expansion of Safflower Technologies International Storage, Handling, Processing Capacities and Marketing Opportunities”

Michael Bergman, Safflower Technologies International, Laurel, MT

Mark Bisom moved to fund Activity 1a of the project as a loan in the amount of \$60,000.00 for the purchase of belt conveyor and bulk weigher systems. Terms of the loan include an interest rate of four percent, one year deferment of repayment and interest, and repayment to be scheduled over a period of four years. Bill Koenig seconded the motion. The motion carried with no dissenting votes. *(see the final amended motion and determination in the Other Business Section toward the end of the minutes on page 7)*

“Montana Wagyu Cattle Company Retail Expansion”

Richard T. Woienski, Montana Wagyu Cattle Co., LLC, Belgrade, MT

Mark Bisom moved to fully fund the project proposal from Montana Wagyu Cattle Company, LLC as a grant in the amount of \$35,000.00. Verges Aageson seconded the motion. The motion carried with no dissenting votes.

“Lodge Grass High School Equine Science”

Ty Neal, Lodge Grass High School Equine Program, Lodge Grass, MT

Bill Koenig moved to fund the project proposal from Lodge Grass High School as a grant for \$11,460.00 toward the purchase of building materials and facility upgrades for the school’s equine program, excluding any improvements to the water system. Patricia Quisno seconded the motion. The motion carried with no dissenting votes.

“Start Up and Development of Wustner Brothers Honey Production and Specialty Product Sales”

Jacob Wustner, Wustner Brothers Honey, Missoula, MT

Ervin Schlemmer moved to fund the project proposal from Wustner Brothers Honey as a grant in the amount of \$10,000.00 toward the purchase of bee hive boxes, frames, foundations and lids. Verges Aageson seconded the motion. The motion carried with no dissenting votes.

“Neal Ranch Feedlot”

Lyle Neal, Neal Ranch, Lodge Grass, MT

Verges Aageson moved to not fund the project proposal from Neal Ranch. Mark Bisom seconded the motion. The motion carried with no dissenting votes.

“Alpaca Manure Composting Business”

James and Sarah Budd, Alpacas of Montana, Inc., Bozeman, MT

Mark Bisom moved to not fund the project proposal from Alpacas of Montana, Inc. Ervin Schlemmer seconded the motion. The motion carried with no dissenting votes.

“Non-Traditional Micro-Winery Producing Fruit Wines From the Flathead and Home Wine/Juice Making Classes and Mason Bee Management”

Larry Robertson, Flathead Lake Arrogant Bastard Micro-Winery, Polson, MT

Ron de Yong moved to not fund the project proposal from Flathead Lake Arrogant Bastard Micro-Winery. Bill Koenig seconded the motion. The motion carried with no dissenting votes.

“Beef Market Evaluation and Development: Market Research, Planning, Test Marketing and Market Development for Direct Marketing of Double M Beef”

Paul Elker, Double M Beef, LLC, Glendive, MT

Mark Bisom moved to not fund the project proposal from Double M Beef. Verges Aageson seconded the motion. The motion carried with no dissenting votes.

Requests for Additional Funding

- Lake County Community Development Corporation (LCCDC) of Ronan (MDA1150379)

LCCDC requested additional funding in the amount of \$10,650.00 for system improvements to meet food and worker safety requirements.

Ron de Yong moved to allow LCCDC’s request for additional funding in the amount of \$10,650.00. Verges Aageson seconded the motion. The motion carried with one dissenting vote.

- Mission Mountain Laboratories, Inc. of Arlee (MDA1150376)

Kimberly Nuccio of Mission Mountain Laboratories requested additional funding in the amount of \$25,000.00 to supplement the original GTA award of \$25,000.00 after it was discovered that a newer and more automated piece of equipment would more efficiently handle the dairy sample loads.

Ron de Yong moved to not grant the project proposal from Mission Mountain Laboratories, Inc. additional funding. Patricia Quisno seconded the motion. The motion carried with no dissenting votes.

- Sweet Grass Natural Lamb of Big Timber (MDA1150380)

The cooperative requested additional funding in the amount of \$22,400.00 to assist with increased marketing activities and materials.

Patricia Quisno moved to not grant Sweet Grass Natural Lamb’s request for additional funding. Verges Aageson seconded the motion. The motion carried with no dissenting votes.

Public Comments

Chair, David Tyler, called for public comments. No public comments were presented.

Other Business

Chair, David Tyler, called for other business.

- Ron de Yong was granted his request to reconsider Council determination for Safflower Technologies International's proposal.

Mark Bisom revised his original motion to fund Safflower Technologies International's proposal an additional \$11,000.00 for a total loan amount of \$71,000.00 toward the purchase of conveyer and bulk weigher systems. The terms of the loan remain the same with one year deferment of interest and payment, an interest rate of four percent, and repayment scheduled over a four year period. Bill Koenig seconded the motion. The motion carried with no dissenting votes.

- Next Growth Through Agriculture application deadline date is July 31, 2011.

- The next Agriculture Development Council meeting date was not determined but will most likely be held sometime in September.

Chair, David Tyler, adjourned the meeting at 6:40 p.m.

Respectfully submitted by:

Lindy Davies

Marketing Technician

Montana Department of Agriculture